

98TH CONGRESS
1ST SESSION

H. R. 3513

To make permanent the increase in the tax on cigarettes and to provide cost-of-living adjustments in the amount of such tax.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1983

Mr. STARK introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To make permanent the increase in the tax on cigarettes and to provide cost-of-living adjustments in the amount of such tax.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) subsection (c) of section 283 of the Tax Equity and
4 Fiscal Responsibility Act of 1982 is amended by striking out
5 "and before October 1, 1985".

6 (b) Section 5701 of the Internal Revenue Code of 1954
7 (relating to rate of tax on cigars, cigarettes, and cigarette
8 papers and tubes) is amended by adding at the end thereof
9 the following new subsection:

1 “(f) COST-OF-LIVING ADJUSTMENTS IN RATE OF TAX
2 ON CIGARETTES.—

3 “(1) IN GENERAL.—In the case of cigarettes re-
4 moved in a calendar year after 1983, subsection (b)
5 shall be applied by increasing each dollar amount con-
6 tained therein by the cost-of-living adjustment for such
7 calendar year.

8 “(2) COST-OF-LIVING ADJUSTMENT.—For pur-
9 poses of paragraph (1), the cost-of-living adjustment for
10 any calendar year is the percentage (if any) by
11 which—

12 “(A) the CPI for October of the preceding
13 calendar year, exceeds

14 “(B) the CPI for October 1982.

15 “(3) CPI.—The term ‘CPI’ means the Consumer
16 Price Index for All Urban Consumers published by the
17 Department of Labor.

18 “(4) ROUNDING.—Any increase under paragraph
19 (1) shall be rounded to the nearest 1 cent.”

20 (c) The amendment made by subsection (b) shall apply
21 with respect to cigarettes removed after December 31, 1983.

22 SEC. 2. Section 1817(a) of the Social Security Act is
23 amended—

24 (1) by striking out “and” at the end of paragraph

25 (1);

1 (2) by striking out the period at the end of para-
2 graph (2) and inserting in lieu thereof “; and”; and

3 (3) by adding at the end thereof the following new
4 paragraph:

5 “(3) the taxes imposed by section 5701(b)(3) of
6 the Internal Revenue Code of 1954.”.

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